

EXHIBIT A**PRINCE GEORGE'S COUNTY
RECOVERY ZONE SPECIFICATIONS**

The Prince George's County Recovery Zone includes all areas of the County as denoted on the maps set forth on pages A-4 and A-5. The designation of Prince George's County (the "County") in its entirety as a recovery zone is based on: (i) the County's high rate of foreclosures compared to the State of Maryland; (ii) the significant increase in the unemployment rate in the County; and (iii) the accompanying general economic distress that exists in the County.

Foreclosures

At the year end of 2009, RealtyTrac reported a total of 43,248 Maryland properties with foreclosure filings in 2009. Prince George's County accounted for 13,412 or 31% of these filings in the State of Maryland. The County ranks number one as having the highest concentration of foreclosures in Maryland.

Prince George's County Foreclosures by Quarter							
	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total Foreclosure Events	Qtr/Qtr % Change	Yr/Yr % Change	% of State Total
Q1 2007				450			28.4%
Q2 2007				1,188	164%		29.0%
Q3 2007				1,673	41%		23.9%
Q4 2007				2,732	63%		28.1%
Q1 2008				3,310	21%	636%	29.1%
Q2 2008	2,411	292	150	2,853	-14%	140%	32.0%
Q3 2008	1,861	213	715	2,789	-2%	67%	35.0%
Q4 2008	2,458	570	592	3,620	30%	33%	36.1%
Q1 2009	2,020	733	318	3,071	-15%	-7%	33.1%
Q2 2009	2,365	481	581	3,427	12%	20%	36.8%
Q3 2009	2,165	1,771	519	4,455	30%	60%	30.1%
Q4 2009	1,631	2,767	718	5,116	15%	41%	30.5%

Source: Maryland Department of Housing and Community Development - Property Foreclosures in Maryland Quarterly Reports 1-4 (2009).

Notes: Foreclosure events include notices of defaults, notices of foreclosure sales, and lender purchases of foreclosed properties. Properties may be included in multiple categories in the same quarter due to the timing of the foreclosure process.

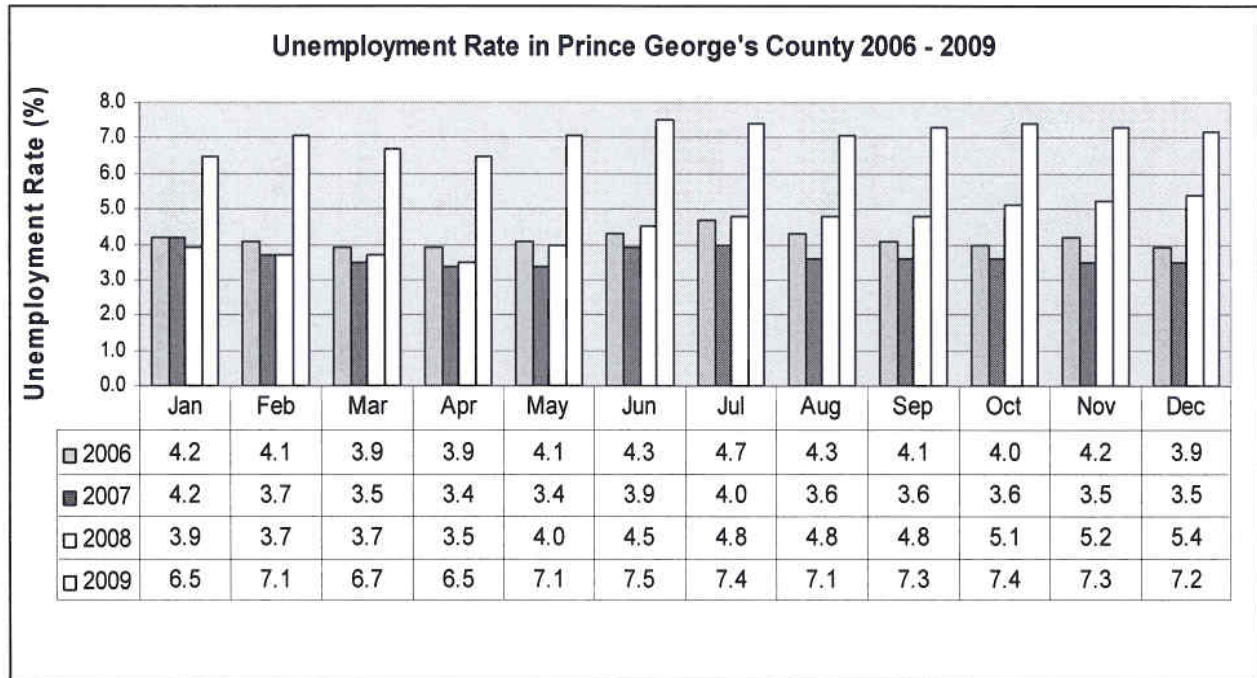
Prince George's County continues to lead all counties in the State of Maryland with the highest number of foreclosures each quarter.

During the fourth quarter, property foreclosures increased by 16,788 events in the State of Maryland. Prince George's County accounted for 5,116 or 30.5% of all foreclosure activity statewide. This is an increase of 15% over last quarter. The increase is attributed to the large

number of foreclosure sale notices during the fourth quarter.

The attached maps set forth on pages A-4 and A-5 show the locations of the foreclosures in the County from January 2007 through June 2008. Certain areas where there are no foreclosures represent public parkland and other government owned land including Andrews Air Force Base. For ease of administration, the County will include these areas in the recovery zone.

Unemployment Rate



The table above shows that the unemployment rate in the County has drastically increased from 4.2% in January 2006 to 7.2% in December 2009. This reflects an increase of 3.0% over the past four years.

The table below lists the monthly and average unemployment rates for Prince George’s County as compared to the unemployment rate for the State of Maryland and the United States in calendar year 2009.

County Labor Market	Yr	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY Avg
County Unemployment Rate	2009	6.5	7.1	6.7	6.5	7.1	7.5	7.4	7.1	7.3	7.4	7.3	7.2	7.1
Maryland Unemployment Rate	2009	6.7	7.2	6.9	6.6	7.1	7.4	7.4	7.0	7.0	7.2	7.3	7.2	7.1
U.S. unemployment rate	2009	7.7	8.2	8.6	8.9	9.4	9.5	9.4	9.7	9.8	10.1	10.0	10.0	9.3

Source: US Census and DLLR

As of December 2009, the unemployment rate was 7.2 % in Prince George’s County and the State of Maryland. (Source: Maryland Department of Labor, Licensing and Regulation). The County’s unemployment rate has remained consistent with the State as the unemployment rate has increased 0.6% throughout calendar year 2009. The County’s rate continues to stay below the national unemployment rate of 10%.

General Economic Distress

The County has been experiencing general economic distress consistent with the high foreclosure and unemployment rates described above. The following table presents the number of K-12 students eligible for the free and reduced lunch program in Prince George's County.

Free and Reduced Lunch Program				
School System	Enrollment 2009-2010	Free	Reduced	% of Eligible Students
Prince George's County	127,309	55,351	12,031	52.9%
State of Maryland	850,252	267,703	59,168	38.4%

Source: Maryland State Board of Education

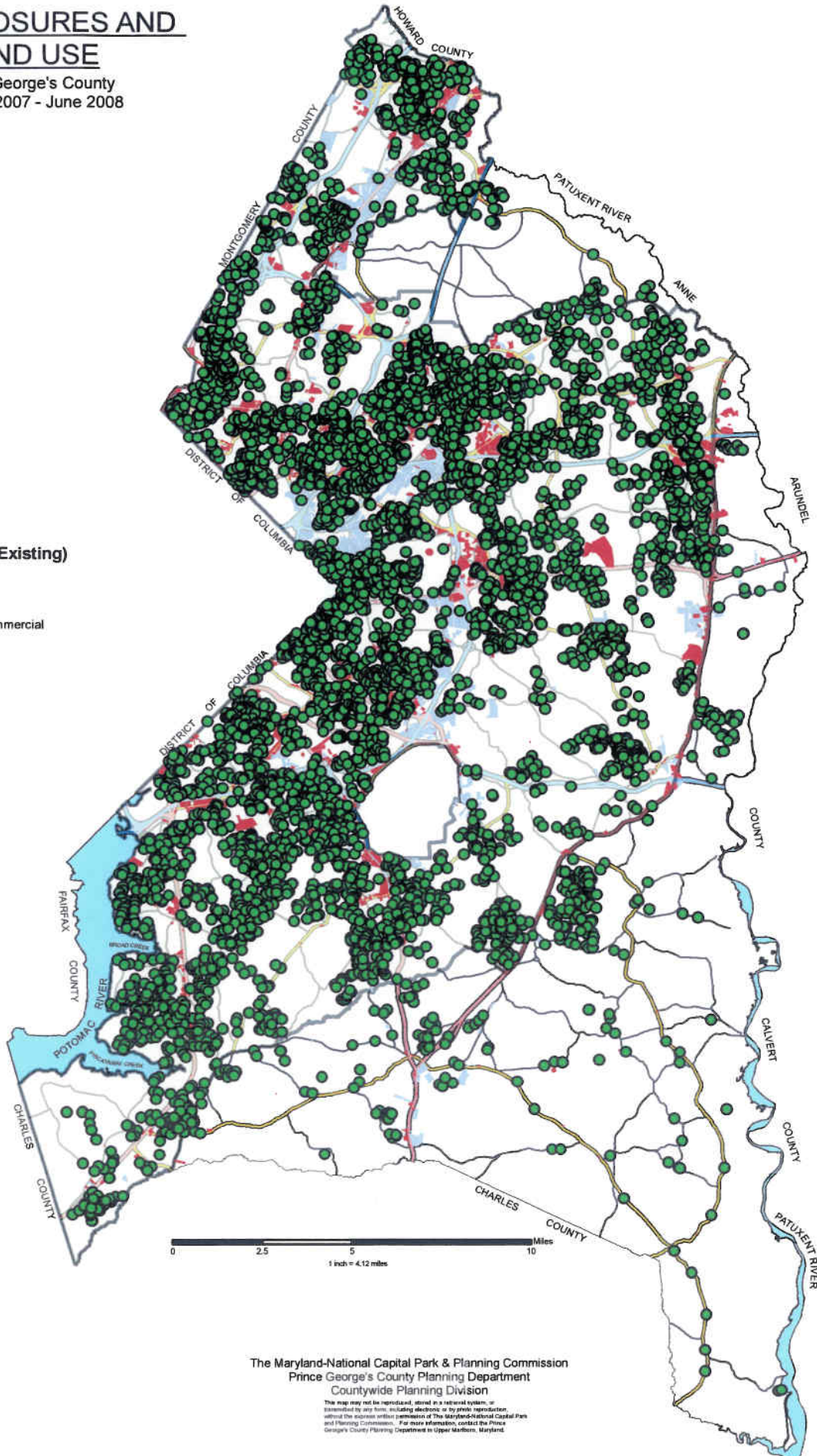
The average student population in the County eligible for free and reduced lunch is approximately 53%, while the State-wide average is 38%. According to the U.S. Department of Agriculture guidelines, students are eligible for the free and reduced lunch program if household income is less than 130% (free lunch) and 185% (reduced lunch) of the federal poverty guidelines.

FORECLOSURES AND LAND USE

Prince George's County
January 2007 - June 2008

Legend

- Foreclosures
- Boundary
- Land Use (CPD Existing)**
- Commercial
- Industrial
- Mixed Use Commercial
- Primary Road**
- Freeway
- Highway
- Major Road
- Other Road



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Prince George's County Planning Department
Countywide Planning Division

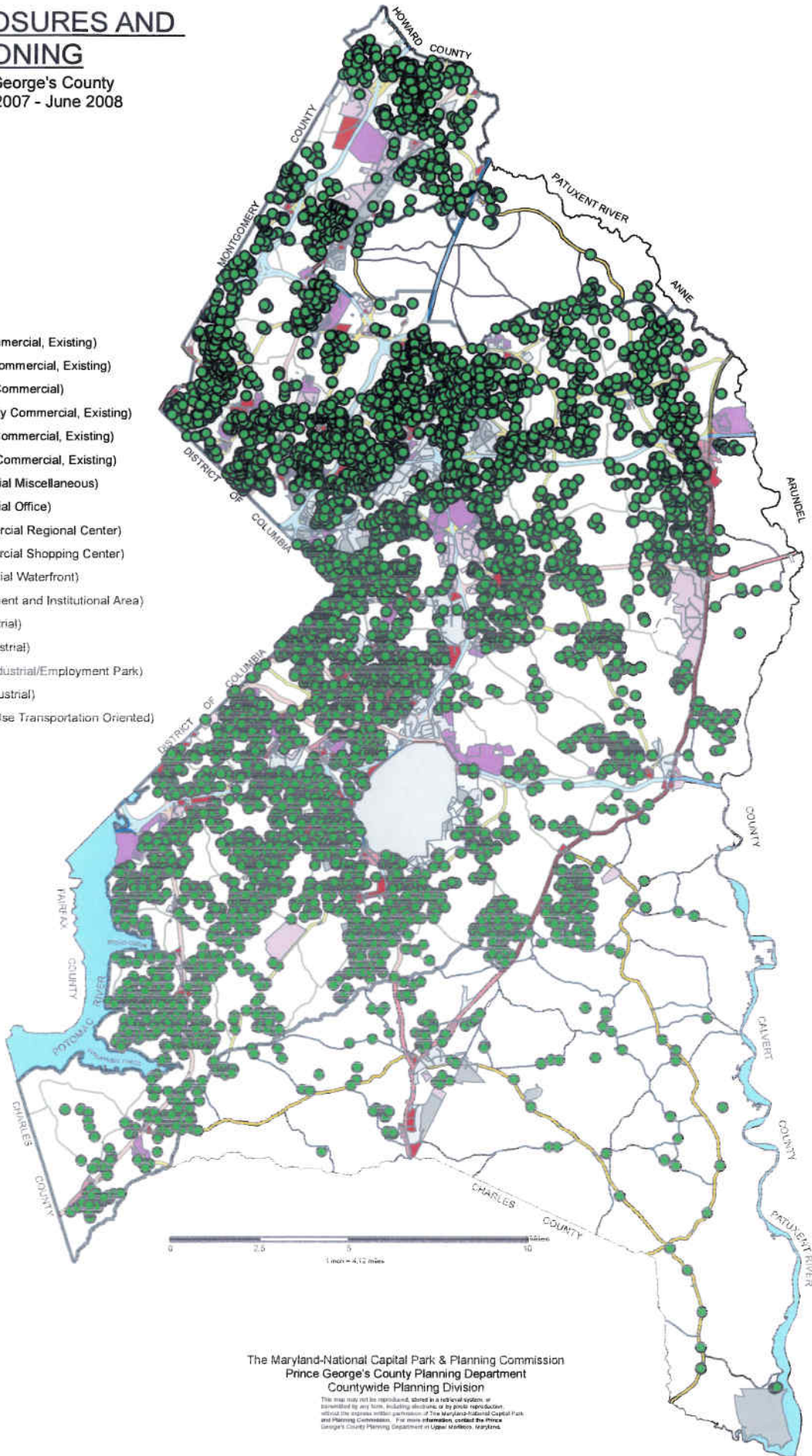
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FORECLOSURES AND ZONING

Prince George's County
January 2007 - June 2008

Legend

- Foreclosures
 - Boundary
- Zoning**
- C-1 (Local Commercial, Existing)
 - C-2 (General Commercial, Existing)
 - C-A (Ancillary Commercial)
 - C-C (Community Commercial, Existing)
 - C-G (General Commercial, Existing)
 - C-H (Highway Commercial, Existing)
 - C-M (Commercial Miscellaneous)
 - C-O (Commercial Office)
 - C-R-C (Commercial Regional Center)
 - C-S-C (Commercial Shopping Center)
 - C-W (Commercial Waterfront)
 - E-I-A (Employment and Institutional Area)
 - I-1 (Light Industrial)
 - I-2 (Heavy Industrial)
 - I-3 (Planned Industrial/Employment Park)
 - I-4 (Limited Industrial)
 - M-X-T (Mixed Use Transportation Oriented)
- Primary Road**
- Freeway
 - Highway
 - Major Road
 - Other Road



The Maryland-National Capital Park & Planning Commission
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Prince George's County, Maryland Recovery Zone Bond Program

Introduction:

Under the provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), the federal government has created two new categories of bonds that support local economic development. Recovery Zone Economic Development Bonds (RZEDBs) and Recovery Zone Facility Bonds (RZFBs). Both bonds were designed to maximize the potential for employment and economic impact within established recovery zones and must be issued by January 1, 2011.

Recovery Zone Economic Development Bonds (RZEDBs)

RZEDBs are very similar to taxable municipal bonds which are to be used to fund the development of capital projects paid or incurred in recovery zones. Federal legislation is not very restrictive in how these bonds may be used with a few distinct caveats. RZEDBs are taxable bonds that are to be used to finance public infrastructure projects for which the federal government will reimburse 45% of the interest paid. RZEDBs are not to be used to finance privately owned or used projects. Allowable uses for RZEDBs include:

- Capital expenditures paid or incurred in recovery zones for public infrastructure and/or construction of public facilities
- Capital expenditures for facilities or expenses incurred in the development of employment or job training programs
- Etc.

These bonds are considered general obligation bonds of the county and will be issued under the full faith and credit of the Prince George's County Government (the "County") and as such will be included in the outstanding debt balance of the County. Ideal projects for this program will significantly promote economic development and activity within the County, are "shovel ready" and eligible to commence construction in a relatively short period of time, and supports the creation and retention of permanent full time jobs within the County.

The federal allocation for this program is \$27,691,000, and will be administered by the Prince George's County Office of Management and Budget and Office of Finance.

Recovery Zone Facility Bonds (RZFBs)

RZFBs are tax-exempt private activity bonds and are to be used for projects within recovery zones. RZFBs can be used by nearly any business with the exception of a few specifically excluded businesses (e.g. residential rental facilities, golf courses, gambling

establishments, country clubs, massage parlors, racetracks or other facilities used to sell alcohol, Etc.) Ideal projects under this program will be “shovel ready” and able to demonstrate the availability of private capital to purchase or back the bonds. Preferred projects will also significantly promote economic activity and support the creation and retention of permanent full time jobs within the County.

Two very important distinctions about the RZFB program are:

- The RZFB program is not a loan or grant program
- There is no federal subsidy or County financial support or obligation for these bonds
- Prince George’s County is merely granting certain qualified and eligible businesses the authority to borrow money on a tax-exempt basis. (This will typically result in lower financing costs to the borrower of between 1 and 2 percent.)

Allowable uses for the program include:

- The construction, renovation or reconstruction of depreciable property used in the active conduct of a qualified business
- The retention of current businesses
- The financing of commercial real estate and equipment

The federal allocation for this program is \$41,537,000 and will be administered by the Prince George’s County Office of Finance and the Prince George’s County Economic Development Corporation.

RZFB Project Selection Process

- The Recovery Zone Facility Bond Committee will advertise in a Request for Expression of Interest in the RZFB program
- The RZFB Committee will host an information session for anyone interested in understanding and intending to respond to the request for expressions of interest so that interested parties will understand what these bonds are, how they may be used, application deadlines, etc.
- Interested parties may be asked to submit a preliminary determination application for RZFB allocation which will set forth the basic facts upon which the applicant asserts that their project is eligible. The applicant must also be able to clearly demonstrate their credit worthiness and their ability to obtain financing prior to receiving an allocation award.
- The RZFB Committee will choose between 1 and 8 projects that can demonstrate an ability to significantly impact economic growth and job creation within the County. (Preference given to projects with capital requirements of \$5 million or more.)

*Priorities for Judging Prince George's County
Recovery Zone Facility Bond Projects*

Working toward an overall goal of public benefit to Prince George's County by means of improving the local economy and quality of life for its residents, thereby maximizing the benefits of this financing alternative, the County will prioritize proposed RZFB projects based on the following:

1. The scope and quality of the applicant's project and the applicant's previous experience with similar projects;
2. The likelihood of successful underwriting and funding of the Facility Bonds based on the strength of the project or the applicant, e.g.:
 - a. Strength of applicant's project based on revenue projections;
 - b. Strength of applicant's equity commitment, and
 - c. Identification of committed bond purchases resulting in placement of the Facility Bonds.
3. The degree to which the project is ready to proceed based on such criteria as, but not limited to, the following:
 - a. Demonstrated site control;
 - b. Receipt of land-use and zoning entitlements and approvals (attach copies if available at the time of application submittal);
 - c. Receipt of signed demolition, remediation, or general contracts demonstrating the ability for construction to proceed (attach copies if available at the time of the applicant's submission);
 - d. Plans and drawings including concept plans; and
 - e. Receipt of building permits required to commence and complete construction (attach copies if available at the time of the application submittal);
4. The quality of the proposed project in terms of design, construction, conformity to Prince George's County's Comprehensive Master Plan and other adopted plans and policies and the project's projected impact on the surrounding community;
5. Readiness to proceed in time to make the bond issuance deadline of January 1, 2011;
6. Estimates of the creation or retention of jobs, stimulation of additional capital investment and the projected general and associated economic benefit to Prince George's County (such as those that stimulate the expanded purchase of goods and services in Prince George's County);
7. Project has capital requirements of \$5 million or more;

8. Ability to provide a letter of intent from the project's intended lender.

RZFBs are private activity revenue bonds subject to the credit conditions of the lender/buyer, including collateral and cash flow requirements. RZFBs will not constitute a debt of Prince George's County or give rise to any financial liability of Prince George's County.

A special panel comprised of representatives from the County Executive's Office, County Council, Economic Development Corporation and Bureau of Finance will review all proposals for RZFB financing. Final decisions for RZFB financing will be at the sole discretion of the review panel.

Standards and Controls:

Approvals granted by the RZFB Review Panel are in addition to any other local, State, or Federal governmental or regulatory approvals required.

All appropriate provisions of the Zoning Code of County land-use regulations and building/fire codes shall apply to any Qualifying Project proposed pursuant to an applicant's project.

Building design must adhere to all Federal, State, and local ordinances, and the Americans with Disabilities Act.

The selected project's applicant shall be responsible for obtaining at his/her cost, all permits, zoning appeals, subdivisions, governmental approvals, and engineering and environmental studies, as required, to submit an application and for the financing and development of the project. All costs of development, including any costs of appraisals, surveys, legal descriptions and other typical development "soft costs", shall be borne by the selected applicant.

According to federal requirements for RZFB issuance, bonds issued under the program must also:

1. qualify as "tax-exempt" facility bonds as described under Code Section 141(e) and 142
2. no less than 95% of the net proceeds must be used for recovery zone property(as defined in Code Section 150 (a)(3))
3. bonds must be issued by no later than January 1, 2011; and
4. Prince George's County must designate the bonds as Recovery Zone Facility Bonds.



**Prince George's County, Maryland
Recovery Zone Facility Bond
Allocation Timeline**

<u>Date:</u>	<u>Action:</u>
April 20, 2010	County Council Approval of CR-20-2010
April 23, 2010	Advertisements for Request for Expressions of Interest (RFEI) and notification of Information Session (Place, Date and Time)
May 13, 2010	Recovery Zone Facility Bond Information Session (RFEI/Applications available at session)
May 17-June 4, 2010	RFEI/Applications Accepted
June 7-June 17 2010	RFEI Submittal Review Period
June 23, 2010	Tentative Allocation Awards
June 25, 2010	Final Awards Made (Subject to verification of financing and/or other assertions made by allocation award winners.)
June 30, 2010	Prince George's County (Economic Development Corporation) Press Release
July 1-July 31, 2010	Constant follow-up/review of project process to determine if project will be able to meet 12/31/2010 deadline
July 31, 2010	Re-allocation of Prior Awards found unable to meet bond issuance deadline
December 31, 2010	Recovery Zone Facility Bond issuance deadline